ORGANISATION
FOR EUROPEAN
ECONOMIC
CO-OPERATION

TURKEY

GENERAL MEMORANDUM ON THE 1950-51 AND 1951-52 PROGRAMMES

TURKEY

PARIS, APRIL, 1950

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T84g

Paris, April 1950

GENERAL MEMORANDUM FOR O.E.E.C.

T U R K E Y

1950-51 and 1951-52 PROGRAMMES

The Turkish Government submitted the attached memorandum to the Organisation for European Economic Co-operation in January 1950. The Turkish programmes for the years 1950-51 and 1951-52 are now released for publication.

MEMORANDUM ON THE

1950-51 AND 1951-52 TURKISH PROGRAMMES

I. The Turkish Government has the honour to submit this Memorandum on its 1950-51 programme, together with the tables for the years 1950-51 and 1951-52, prepared on the basic assumptions set out in CE(49)155.

The Turkish Government must state at the outset that these programmes, prepared on the above bases, by no means reflect the actual needs of the country. That is why it has considered it advisable to set out the actual requirements of Turkey for 1950-51 in Tables A, B, and C attached.

II. In the 1949-50 Revised Programme, the Turkish deficit was given as $ 152.7 million with the dollar area, and $ 42.5 million with Member countries. Despite this deficit, Turkey only obtained $59 million of direct Aid, and $55.3 of indirect Aid, the latter figure including additional drawing rights granted for financing the "switches". (A drawing right of $8 million had been granted by Turkey).

These sums, already below Turkey's actual requirements, have been largely used for purchasing cereals instead of capital goods, as the 1949 harvest was very poor.

Turkey, which had hoped that the delayed execution of its programme could be offset by increased aid in 1950-51 and 1951-52, was compelled to prepare a less ambitious programme to comply with the decision of the Council, and it is hoped that the Turkish position will be considered in the spirit of Mr. Katz's letter providing for special cases (SGD(49)97).

The Turkish Government wishes to specify that the figures in Tables A, B, and C are based on carefully prepared investment projects and that any reduction of these figures will gravely affect the programme as a whole.

III. The Investment Project for 1950-51, prepared in the context of E.R.P. and in compliance with CE(49)155, is explained below. It relates to equipment for agriculture, power, mining, industry, and communications.

a) Agriculture

The estimated amount for the purchase of agricultural machinery in 1950-51 is only $ 10.119 million. However, to ensure a rapid increase in production, the Turkish Long Term Programme aims at increasing the area under cultivation by about 25% and also at adopting the necessary technical measures for obtaining increased yield.

It should be noted that agricultural development is very properly regarded by the O.E.E.C. as being one of the most effective means of helping to solve the dollar problem in Europe.

b) Energy

As regards sources of energy the work already begun can only be proceeded with on a very reduced scale in 1950-51 and 1951-52.

The following is the breakdown for estimated investments in this sector in 1950-51:-

	($ '000,000)
1) development of the Zonguldak coalfields	12.014
2) development of lignite mines in Western Turkey	0.750
3) Erection of the Sariyar electric power station	2.000
4) prospecting of crude oil	0.945

c) Mining

Development work on the Divrigi iron mines, begun in 1948-49, will continue on a smaller scale in 1950-51.

$ 0.3 million are to be spent on machinery.

d) Miscellaneous industries

1) Work on coking and desulphurisation plant will continue in 1950-51. $ 1.008 million are to be devoted to this purpose.
2) Equipment for saltworks: $ 0.504 million.
3) Despite the great importance of developing the meat and fish industries, the amount allocated for this purpose is only $ 4.575 million.

e) Transport

Substantial cuts are also planned in this sector. The amounts estimated for the purchase of railway and shipping equipment are $ 2.255 million and $3.746 million respectively.

f) Public works

No more than $ 7.791 million can be provided for civil engineering equipment, road building, bridges, and irrigation works.

g) Miscellaneous equipment

The estimates under this sector are as follows:-

	($ '000,000)
road transport	2.000
machine tools	7.087
textile machinery	4.000
electrical equipment (including turbines)	8.000
other equipment n.e.s.	0.180

Expenditure under the heading of "Fees" is estimated as follows:-

	($ '000,000)
Power producing industries	0.850
Miscellaneous industries	0.315

h) Freight

$ 6.241 million

IV. CONSUMER GOODS

The insignificant increase in imports of consumer goods provided in the 1950-51 programme will only slightly improve the standard of living of the population.

A satisfactory level would require a much larger consumption per capita.

V. TRADE

a) Exports

1) Despite the shortage of agricultural machinery, it is hoped that agricultural exports in 1950-51 will amount to $213 million. The main items are listed below:

	($'000,000)
cereals	50
oil seeds	10
meat	9
dried fruit	43
pulses	11
tobacco	59.2

2) Exports of non-ferrous metals and ores, especially blister copper and chromium ore, should yield about $11 million.

3) In the 1950-51 programme, exports of textiles are estimated at $31.28 million. The export estimates for 1951-52 are $16 million more.

4) Other raw materials: Turkey hopes that exports under this head will be twice as large as they were in the 1949-50 final programme.

b) Imports

1) In 1949, the sugar-beet crop was good and imports of sugar are likely to be smaller than they were in 1949-50 ($2,180 million).
2) Imports of chemical products chiefly consist of chemical fertilizers, pharmaceutical products, dye-stuffs, caustic soda and plastic materials ($18.810 million).
3) Imports of refined liquid fuels consist of aviation and motor spirit, kerosene, Diesel gas-oil, fuel-oil, and lubricants ($22.758 million).
4) Imports of semi-finished and finished steel products amount to $26.940 million.
5) The amount allocated for imports of copper and copper alloys (semi-finished electrolytic products not produced in Turkey) is $1.75 million.
6) Imports of basic textile manufactures and textile fibres are estimated at $24,980 million in 1950-51.

The main items under this head are raw wool, cotton yarn, basic textile manufactures and semi-manufactures.

7) Timber imports chiefly consist of pit props, pulp wood, and small quantities of sleepers, the total amount being $5,240 million.
8) The estimate for other raw materials and basic commodities is $6.240 million.
9) Figures for imports of machinery are already given above.
10) Imports under the heading of "Other manufactured goods", are estimated at $36.619 million, the main items are metal manufactures n.e.s., textile manufactures, rubber articles, tyres, glassware, sheet-glass and drugs.

VI. FINANCIAL POSITION

The Turkish Government did everything that could be done to balance the 1950 Budget, but it was not possible to avoid a deficit of 155 million liras; the expenditure estimates being 1,467 million liras and estimated revenue, 1,312 million liras.

This deficit was mainly due to the cost of national defence which is 520 million, or 35.4% of the total. This is still a heavy charge on the budget and, relatively speaking, no other Member countries' financial resources are strained to this extent.

Moreover, bad weather conditions caused a deficit in the 1949 cereal crop, and this not only compelled Turkey to import 467,000 tons of wheat, but reduced the purchasing power of a considerable section of the population, thus affecting budgetary receipts.

Despite these unfortunate circumstances, Turkey has been able to turn E.R.P. Aid to good account, proceed with economic recovery, and, by reducing public expenditure, provide for 226 million liras of investment in the 1950 Budget.

It must also be noted that the Turkish Government is carrying out fiscal reforms which should make it possible to achieve budgetary equilibrium in 1952.

VII. BALANCE OF PAYMENTS

It will be seen from the B.P. Tables that the Turkish Programme for 1951, prepared on the basic assumptions set out in CE(49)155, shows an overall deficit of $74.680 million, including $46.300 million with the dollar area.

It is only by reducing imports of capital goods that these figures have been obtained in conformity with the foregoing paper.

If, on the other hand, the 1950-51 Programme is regarded in the light of the actual requirements of Turkey (Tables A, B, and C attached), the deficit in the balance of payments is $213 million, including $160 million with the dollar area, and $53 million with the Member countries.

If Turkey is to make the best use of its resources, and increase production, a deficit of $213 million is fully justifiable.

VIII. In 1948-49, Turkey had already made a start on the Long Term Programme for economic recovery, with the help of E.R.P. funds earmarked for equipment; it being assumed that the funds required for the completion of this programme would be forthcoming in the ensuing years. Unfortunately, the funds allocated in 1949-50 were quite inadequate for this purpose. Nevertheless Turkey still hopes that her true needs will be recognised and, despite difficulties, the country, desirous of acting towards the common objective laid down in the Convention for European Economic Co-operation, did not hesitate to arrange for liberalising imports from Member countries up to 50%. Though it is still too early to predict the consequences of this action it may be assumed that the resultant deficit will amount to $25 million and this will also have to be made good.

IX. EXPORTS TO THE DOLLAR AREA

The main exports from Turkey to the dollar area are tobacco, opium, dried fruit, and chrome ore.

Turkey has adopted the following measures to increase exports to the dollar area:

1) Exemption from export licences for dollar exports.
2) Prohibition of exports by private compensation arrangements.
3) Action designed to stop the practice of re-exporting goods of Turkish origin.
4) Participation in the General Agreement on Trade and Tariffs, with a view to increasing sales of tobacco and other goods.
5) Participation in the Washington and Chicago Trade Fairs in order to provide more scope for exports to the dollar area.
6) Organisation of an exhibition of Turkish handicrafts in Washington.

X. If Turkey is to achieve in 1952-53 a level of economic activity sufficient to ensure her viability and enable her to contribute more effectively to European Recovery, the machinery listed in Tables A, B, and C must be acquired, and the work specified there must be carried out.

The Turkish Government must emphasize once more that the international situation places Turkey in an exceptional position which involves special liabilities, since she is compelled to devote more than a third of the Budget to national defence. Turkey cannot therefore complete her economic recovery without substantial assistance, and the Turkish Government hopes that its programme will be studied in a spirit of understanding and that its true requirements will be recognised.

1950-51 PROGRAMME OF TURKEY

(in accordance with CE(49)155)

	Direct Aid 1	Drawing rights 2	$ 000 TOTAL 1 + 2 = 3
Agriculture	10,119	-	10,119
Road building	5,500	-	5,500
Irrigation	2,291	-	2,291
Maritime transport	3,746	-	3,746
Rail "	2,255	-	2,255
Road "	-	2,000	2,000
Coalfields	11,514	500	12,014
Lignite basin	750	-	750
Oil prospecting	945	-	945
Sariyar Power Station	2,000	-	2,000
Divrigi Mines (iron)	300	-	300
Turhal Mines (antimony)	-	-	-
Lead mines	-	-	-
Salt works	504	-	504
Desulphurisation and coking plant	-	1,008	1,008
Meat and fish	-	4,575	4,575
MISCELLANEOUS EQUIPMENT			
Machine tools	1,320	5,767	7,087
Textile machinery	-	4,000	4,000
Electrical equipment	-	8,000	8,000
Other machinery n.e.s.	180	-	180
FEES			
Power producing industries	850	-	850
Miscellaneous industries	315	-	315
FREIGHT	3,711	2,530	6,241
Total	46,300	28,380	74,680
Consumer goods	-	-	-
GRAND TOTAL	46,300	28,380	74,680

Les besoins réels — ANNEXE A

O.E.C.E. O.E.E.C.

1950-1951
1951-1952

DATE 7 Décembre 1949

PROGRAMME GÉNÉRAL D'IMPORTATIONS
payables en or et dollars et en toutes devises

GENERAL IMPORT PROGRAMME
payable in gold and dollars and in all currencies

Unité million de dollars avec trois décimales
Unit $ million with three decimal places

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE — **IM**

Page N° 1 Nombre de pages / Number of pages 3

PROVENANCES / SOURCES — PRODUITS / COMMODITIES	1950-51								1951-52			
	PAYABLES EN DOLLARS — PAYABLE IN DOLLARS					Payables en autres devises Payable in other currencies	Total étranger Foreign Grand Total	En prov. des T.O.M. du pays déclarant Ex own D.O.T.'s	Payables en dollars Payable in dollars	Payables en autres devises Payable in other currencies	Total étranger Foreign Grand Total	En prov. des T.O.M. du pays déclarant Ex own D.O.T.'s
	U.S.A.	Canada	A.M.O. O.W.H.	Autres Other	TOTAL							
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
0100 Céréales panifiables — Bread Grains												
0200 Graisses et huiles — Fats and Oils	0.010				0.010	0.030	0.040					
0300 Sucre — Sugar			0.480		0.480	1.700	2.180					
0700 Tabac — Tobacco												
0400 / 0600 / 0800 / 0900 Viandes - Produits laitiers - Café - Divers autres produits alimentaires (A et B) Meats - Milk products - Coffee - Miscellaneous Foods (A and B)			0.300		0.300	3.000	3.300					
0000 PRODUIT AGRICOLES ESSENTIELLEMENT DESTINÉS A L'ALIMENTATION HUMAINE AGRICULTURAL PRODUCTS PRIMARILY FOR HUMAN CONSUMPTION	0.010		0.780		0.790	4.730	5.520					
1100 Céréales secondaires — Coarse grains												
1200 / 1600 / 1900 Tourteaux et farine de tourteaux - Autres produits agricoles divers N.D.A. Oilcake and meal - Other feeding stuffs - Other miscellaneous agricultural products N.E.C.						0.010	0.010					
1000 PRODUITS AGRICOLES NON DESTINÉS ESSENTIELLEMENT A LA CONSOMMATION HUMAINE AGRICULTURAL PRODUCTS PRIMARILY NOT FOR HUMAN CONSUMPTION						0.010	0.010					
2100 Engrais — Fertilizers	0.670				0.670	1.730	2.400					
2200 Produit chimiques rattachés à l'agriculture Chemical products associated with agriculture						0.300	0.300					
2300 Autres produits et préparations chimiques Other chemicals & chemical preparation	2.290	0.010			2.300	16.300	18.600					
2000 PRODUITS CHIMIQUES CHEMICALS AND CHEMICAL PRODUCTS	2.960	0.010			2.970	18.330	21.300					

O.E.C.E. O.E.E.C.

1950-1951
1951-1952

DATE 7 Décembre 1949

PROGRAMME GÉNÉRAL D'IMPORTATIONS
payables en or et dollars et en toutes devises

GENERAL IMPORT PROGRAMME
payable in gold and dollars and in all currencies

Unité : million de dollars avec trois décimales
Unit : $ million with three decimal places

Les besoins réels de la ANNEXE A

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE — IM

Page No 2 Nombre de pages / Number of pages 3

PROVENANCES / SOURCES — PRODUITS / COMMODITIES	1950-51								1951-52			
	PAYABLES EN DOLLARS — PAYABLE IN DOLLARS					Payables en autres devises Payable in other currencies	Total étranger Foreign Grand Total	En prov. des T O M du pays déclarant Ex own D O T's	Payables en dollars Payable in dollars	Payables en autres devises Payable in other currencies	Total étranger Foreign Grand Total	En prov. des T O M du pays déclarant Ex own D O T's
	U.S.A	Canada	A N O O W N	Autres Other	TOTAL							
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
3100 - 3500 Combustibles solides — Solid fuels												
3600 Pétrole brut — Crude oil (1)												
3700 + 3800 Combustibles liquides raffinés - Autres produits pétroliers (1) / Refined liquid fuels - Other oil products (1)	10.508				10.508	12.250	22.758					
3900 Autres formes d'énergie — Other energy												
3000 TOTAL COMBUSTIBLES ET ÉNERGIE / TOTAL FUELS AND POWER	10.508				10.508	12.250	22.758					
4100 + 4200 Matières premières pour la production de la fonte et de l'acier - Fonte et ferro-alliages / Raw materials for iron and steel production - Pig iron and ferro-alloys	0.360				0.360		0.360					
4300 + 4500 Acier brut - Produits semi-finis - Acier fini à étiré - produits finaux / Crude steel - Semi-finished steel - Hot finished steel - End products	5.240				5.240	21.[illegible]	26.[illegible]					
4720 Cuivre et alliages de cuivre y compris laiton et bronze / Copper and copper alloys including brass and bronze						1.750	1.750					
4750 Zinc et alliages de zinc y compris les déchets / Zinc and zinc alloys including scrap						-.-	0.260					
4600 + 4700 (except 4720 and 4750) + 4800 Minerais et métaux non ferreux sauf le cuivre et le zinc / Non ferrous metals, ores and concentrates (except copper and zinc)						1.[illegible]	1.[illegible]					
4000 SIDÉRURGIE: MINERAIS ET MÉTAUX NON FERREUX / IRON AND STEEL: NON FERROUS ORES AND CONCENTRATES	5.600				5.600	25.[illegible]	31.[illegible]					

1. L'attention est attirée sur le chapitre IV § 13 des Instructions. Les importations de pétrole et produits pétroliers devront figurer dans la colonne du pays [illegible]
Attention is drawn on chapter IV § 13 of the Instructions imports of oil and oil products will be entered in the column of the country [illegible]

Les besoins réels de la

ANNEXE A

O.E.C.E. O.E.E.C.

1950-1951
1951-1952

DATE 7 Décembre 1949

PROGRAMME GÉNÉRAL D'IMPORTATIONS
payables en or et dollars et en toutes devises

GENERAL IMPORT PROGRAMME
payable in gold and dollars and in all currencies

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE — IM

Unité : million de dollars avec trois décimales
Unit : million with three decimal places

Page N° 3 Nombre de pages / Number of pages 3

PROVENANCES / SOURCES — PRODUITS / COMMODITIES	1950-51								1951-52			
	PAYABLES EN DOLLARS — PAYABLE IN DOLLARS					Payables en autres devises / Payable in other currencies	Total Etranger / Foreign Grand Total	En prov. des T O M du pays déclarant / Ex own D O T 's	Payables en dollars / Payable in dollars	Payables en autres devises / Payable in other currencies	Total étranger / Foreign Grand Total	En prov. des T.O.M. du pays déclarant / Ex own D.O.T.'s
	U S A	Canada	A.H.O. O.W.H.	Autres / Other	TOTAL							
(0)	(1)	(2)	(3)	(4)	(5)	6	7	8	9	10	11	12
5100 Coton brut (non compris les linters) / Raw cotton (excluding linters)						3.880	3.880					
5200-5700 Fibres textiles et produits textiles manufacturés de base, autres que coton brut / Textiles fibres and basic manufactures other than raw cotton						21.100	21.100					
5000 FIBRES TEXTILES ET PRODUITS TEXTILES MANUFACTURÉS DE BASE / TEXTILE FIBRES AND BASIC MANUFACTURES						24.980	24.980					
6100-6500 Bois — Timber		5.000			5.000	0.240	5.240					
6600-6900 Pâtes et papiers — Pulp and paper						5.300	5.300					
6000 BOIS - PATES ET PAPIERS / TIMBER - PULP AND PAPER		5.000			5.000	5.540	10.540					
7100 Cuirs et peaux bruts et pelleteries / Raw hides and skins and pelts for furs						5.020	5.020					
7200-7900 Autres matières premières et produits de base (autres que 7100) / Other raw materials and basic products (Other than 7100)						3.720	3.720					
7000 AUTRES MATIÈRES PREMIÈRES ET PRODUITS DE BASE / OTHER RAW MATERIALS AND BASIC PRODUCTS						8.740	8.740					
8000 EQUIPEMENT / MACHINERY AND EQUIPMENT	150.674				150.674	103.450	254.124					
9000 AUTRES PRODUITS MANUFACTURÉS DIVERS / OTHER MISCELLANEOUS MANUFACTURED PRODUCTS	0.450				0.450	42.630	43.080					
0000-9000 TOTAL DES IMPORTATIONS / TOTAL IMPORTS	170.202	5.010	0.780		175.992	246.240	422.232					

Les Besoins Réels de la

Annexe II

OECE OEEC

1950-1951

BALANCE DES PAIEMENTS
en or et en dollars et en toutes devises

BALANCE OF PAYMENTS
in gold and dollars and in all currencies

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE

BP

DATE 7 Décembre 1949

Unité: 1 = 2,8 livres turque

Nombre de pages: 4 N° Page: 1

RUBRIQUES / ITEMS	ZONES GÉOGRAPHIQUES / GEOGRAPHICAL AREAS	OR ET DOLLARS — GOLD AND DOLLARS							TOUTES DEVISES — ALL CURRENCIES						
		États-Unis et Canada — U.S.A. and Canada	Amérique latine — Latin America	Zone sterling non part — Non Part. Sterling Area	Autres pays non part — Other Non Part countries	Pays participants — Participating countries	Total or et dollars — Total gold and dollars	États-Unis et Canada — U.S.A. and Canada	Amérique latine — Latin America	Zone sterling non part — Non Part. Sterling Area	Autres pays non part — Other Non Part countries	Pays participants — Participating countries	Total général étranger — Foreign grand total	Opérations entre la Belgique-Luxembourg et les U.E.P. — Operations between the Belgium-Luxembourg Economic Union and the EPU
		1	2	3	4	5	6	7	8	9	10	11	12	(13) (8 à 12)	(14)
1	a EXPORTATIONS DE BIENS — Exports	+1.11	1.09	0.31			42.51	42.20	0.31	2.45	38.26	186.96	270.18		
	b IMPORTATIONS DE BIENS — Imports	170.20	5.01	0.78			175.99	175.21	0.78	23.42	14.93	207.89	422.23		
	c BALANCE COMMERCIALE — Trade balance	129.09	-3.92	-0.47			+133.48	+133.01	-0.47	-20.97	+23.33	-20.93	152.05		
2	a TRANSPORTS MARITIMES — Shipping	1.10					1.10	1.10			0.20	1.60	2.90		
	b RECETTES — Receipts	21.26	0.14	0.11			21.51	21.40	0.11	1.87	1.49	20.96	45.83		
	c CROISS MARITIME — Transports	-0.16	-0.14	-0.11			-20.41	-0.30	0.11	-1.87	-1.29	-19.36	-42.93		
3	a AUTRES TRANSACTIONS — Non-trade operations														
	b DÉPENSES — Non-trade operations														
	c														
4	a TOURISME	0.80					0.80	0.80		0.30	0.70	1.00	2.80		
	b	1.50					1.50	1.50			0.50	1.90	3.90		
	c	-0.70					-0.70	-0.70		+0.30	+0.20	-0.90	-1.10		

TRANSACTIONS AVEC LES PAYS DE LA ZONE OEEC — TRANSACTIONS WITH OEEC COUNTRIES

* Le pays déclarant donnera la liste des pays avec lesquels ses transactions sont réglées en or et en dollars
Reporting country should list the countries with wich transactions are settled in gold and dollars

Les besoins réels de la

ANNEXE B.

O.E.C.E. O.E.E.C.

1950-1951

BALANCE DES PAIEMENTS
en or et en dollars et en toutes devises

BALANCE OF PAYMENTS
in gold and dollars and in all currencies

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE

BP

DATE 7 Décembre 1949

UNITÉ / UNIT: $ 1 000 000 — Avec deux décimales / with two decimal places

Taux de change - Rate of Exchange $ 1 = (Nombre d'unités monétaires nationales / Number of national currency units)

Number de pages / Number of pages: 4 — Nº Page 2

TRANSACTIONS COURANTES DE LA MÉTROPOLE
METROPOLE CURRENT TRANSACTIONS

RUBRIQUES / ITEMS (0)			OR ET DOLLARS — GOLD AND DOLLARS							TOUTES DEVISES — ALL CURRENCIES						
ZONES GÉOGRAPHIQUES / GEOGRAPHICAL AREAS			Etats-Unis U.S.A. (1)	Canada Canada (2)	Amérique latine Latin America (3) *	Zone sterling non part. Non Part. Sterling Area (4)	Autres pays non part. Other Non Part. countries (5)	Pays particip Particip. countries (6)	Total or et dollars Total gold and dollars (7) (1) à (6) / (1) to (6)	Etats-Unis et Canada U.S.A. and Canada (8)	Amérique latine Latin America (9)	Zone sterling non part. Non Part. Sterling Area (10)	Autres pays non part. Other Non Part. countries (11)	Pays particip. Particip. countries (12)	Total général étranger Foreign grand total (13) (8) à (12) / (8) to (12)	Relation entre la colonne (6) et les TAB. Relation between column (6) and the BATS (14)
5	a	+	1.80						1.80	1.80		0.30	1.30	1.40	4.80	
Remises des émigrants / Migrant remittances	b	−	0.20						0.20	0.20				0.10	0.30	
	c	±	1.60						+1.60	+1.60		+0.30	+1.30	+1.30	+4.50	
6	a	+														
Total revenu du capital / Total capital income	b	−	1.00						1.00	1.00				4.60	5.60	
	c	±	-1.00						-1.00	-1.00				-4.60	-5.60	
7	a	+	5.70	0.20					5.90	5.90		0.30	1.70	7.00	14.90	
Autres invisibles (dont Assurances maritimes) / Other invisibles (incl. Marine Insurance)	b	−	11.40	0.20	0.20				11.80	11.60	0.20	0.10	3.20	5.70	20.80	
	c	±	-5.70		-0.20				-5.90	-5.70	-0.20	+0.20	-1.50	+1.30	-5.90	
8	a	+	9.40	0.20					9.60	9.60		0.90	3.90	11.00	25.40	
Total des invisibles / Total invisibles	b	−	35.36	0.34	0.31				36.01	35.70	0.31	1.97	5.19	33.26	76.43	
	c	±	-25.96	-0.14	-0.31				-26.41	-26.10	-0.31	-1.07	-1.29	-22.26	-51.03	
9	a	+	50.51	1.29	0.31				52.11	51.80	0.31	3.35	42.16	197.96	295.58	
Total balance courante / Total current balance	b	−	205.56	5.35	1.09				212.00	210.91	1.09	25.39	20.12	241.15	498.66	
	c	±	-155.05	-4.06	-0.78				-159.89	-159.11	-0.78	-22.04	+22.04	-	-203.08	

* Le pays déclarant donnera la liste des pays avec lesquels ses transactions sont réglées en or et en dollars.
Reporting country should list the countries with wich transactions are settled in gold and dollars.

Les besoins réels de la

ANNEXE B

O.E.C.E. O.E.E.C.

1950-1951

BALANCE DES PAIEMENTS
en or et en dollars et en toutes devises

BALANCE OF PAYMENTS
in gold and dollars and in all currencies

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE

BP

DATE 7 Décembre 1949 — UNITÉ UNIT: $ 1 000 000 — Avec deux décimales with two decimal places — Taux de change - Rate of Exchange $ 1 = ... (Nombre d'unités monétaires nationales / Number of national currency units) — Nombre de pages Number of pages: 4 — N° Page 3

RUBRIQUES / ITEMS			ZONES GÉOGRAPHIQUES / GEOGRAPHICAL AREAS	OR ET DOLLARS — GOLD AND DOLLARS							TOUTES DEVISES — ALL CURRENCIES						
				Etats-Unis U.S.A.	Canada Canada	Amérique latine Latin America	Zone sterling non part Non Part. Sterling Area	Autres pays non part. Other Non Part. countries	Pays particip Particip countries	Total or et dollars Total gold and dollars	Etats-Unis et Canada U.S.A. and Canada	Amérique latine Latin America	Zone sterling non part Non Part. Sterling Area	Autres pays non part Other Non Part countries	Pays particip Particip countries	Total général étranger Foreign grand total	Relations entre le Département déclarant et son T.O.M. Relations between reporting Department and its own T.O.T's
(0)				(1)	(2)	(3) *	(4)	(5)	(6)	(7) (1) à (6) (1) to (6)	(8)	(9)	(10)	(11)	(12)	(13) (8) à (12) (8) to (12)	(14)
TRANSACTIONS COURANTES DES T.O.M. CURRENT TRANSACTIONS OF D.O.T'S	10	a +	Exportations totales Total exports														
		b −	Importations totales Total imports														
	11	a +	Invisibles (Total) Recettes / Receipts														
		b −	Dépenses / Expenditures														
		c + −	Total net / Net total														
	12	+ −	Balance courante Current balance														
OPÉRATIONS EN CAPITAL CAPITAL OPERATIONS	13	a +	Opérations en capital (Publiques et privées)	6.68						6.68						6.68	
		b −	Capital operations (Public and private)	6.70						6.70						16.90	
		c + −		-0.02						-0.02						-10.22	
**	14	a +	Obligation contractuelle de transferts en or et en dollars														
		b −	Contractual obligation of transfers in gold and dollars														
		c + −															
	15	+ −	Marge des accords de paiements « Swing »														

* Le pays déclarant donnera la liste des pays avec lesquels ses transactions sont réglées en or et en dollars.
Reporting country should list the Countries with wich transactions are settled in gold and dollars

** Y compris les opérations en capital des T.O.M. du pays déclarant.
Including capital operations of D.O.T's. of reporting country.

Les besoins réels de la

ANNEXE B

O.E.C.E. O.E.E.C.

1950-1951

BALANCE DES PAIEMENTS
en or et en dollars et en toutes devises
BALANCE OF PAYMENTS
in gold and dollars and in all currencies

PAYS DÉCLARANT-REPORTING COUNTRY: TURQUIE

BP

DATE 7 Décembre 1949

UNITÉ / UNIT: 0 | 1 000 000 — Avec deux décimales / with two decimal places

Taux de change - Rate of Exchange 1 =
(Nombre d'unités monétaires nationales / Number of national currency units)

Nombre de pages / Number of pages: 4 — N° Page: 4

RUBRIQUES / ITEMS	ZONES GÉOGRAPHIQUES / GEOGRAPHICAL AREAS	OR ET DOLLARS — GOLD AND DOLLARS							TOUTES DEVISES — ALL CURRENCIES						
		Etats-Unis U.S.A.	Canada Canada	Amérique latine Latin America	Zone sterling non part. Non Part. Sterling Area	Autres pays non part. Other Non Part. countries	Pays particip. Particip. countries	Total or et dollars Total gold and dollars	Etats-Unis et Canada U.S.A. and Canada	Amérique latine Latin America	Zone sterling non part. Non Part. Sterling Area	Autres pays non part Other Non Part. countries	Pays particip. Particip countries	Total général étranger Foreign grand total	Relations entre la Balance déclarante et ses T.E.S. Relations between reporting Balance and its own T.E.T's
(0)		(1)	(2)	(3) *	(4)	(5)	(6)	(7) (1) à (6) (1) to (6)	(8)	9	(10)	(11)	(12)	(13) (8) à (12) (8) to (12)	(14)
16	BALANCE GÉNÉRALE DES PAIEMENTS + / NET GENERAL BALANCE OF PAYMENTS −							-159.91						-213.30	
17	AIDE E.R.P. en dollars + / E.R.P. dollar AID							159.91						213.30	
18	VARIATION DES RÉSERVES monétaires + / MOVEMENTS of monetary reserves −														
19 a	AUTRES RESSOURCES (non dollar) +														
19 b	AUTRES RESSOURCES (non dollar) −														

* Le pays déclarant donnera la liste des pays avec lesquels ses transactions sont réglées en or et en dollars.
Reporting country should list the countries with wich transactions are settled in gold and dollars.

OBSERVATIONS
REMARKS

ANNEX C - 1950-51

Programme based on the actual requirements of Turkey in 1950-51

$ 000

	Direct Aid 1	Drawing Rights 2	TOTAL 1 + 2 = 3
Agriculture	16,400	8,000	24,400
Road building	7,360	-	7,360
Irrigation	3,000	-	3,000
Draining of marshes	3,040	-	3,040
Maritime transport	15,339	-	15,339
Rail "	19,127	-	19,127
Road "	1,632	5,000	6,632
Coalfields	38,385	500	38,885
Lignite basin	4,225	-	4,225
Oil prospecting	1,000	-	1,000
Seriyar Power Station	15,098	-	15,098
Divrigi Mines (iron)	1,100	-	1,100
Turhal (antimony)	313	-	313
Lead mines	925	-	925
Salt works	1,000	-	1,000
Desulphurisation and coking plant	677	1,008	1,685
Meat and fish	10,073	4,575	14,648
MISCELLANEOUS EQUIPMENT			
Machine tools	1,320	5,767	7,087
Textile machinery	-	4,000	4,000
Electrical equipment	1,000	9,500	10,500
Other machinery n.e.s.	4,131	1,000	5,131
FEES			
Power producing industries	850	-	850
Miscellaneous industries	315	-	315
RESERVE	13,600	4,760	18,360
Total	159,910	44,110	204,020
Consumer goods	-	9,270	9,270
GRAND TOTAL	159,910	53,380	213,290

9308

ANNEX I

I. Turkey prepared two programmes for 1950-51, one in accordance with the decisions of the O.E.E.C., and the other on the basis of the real amount of aid required for the existence of a viable Turkey in a viable Europe.

Many of the participating countries have now not only surpassed the 1938 production level, but even reached the consumption level for that year. The important problem with which these countries are now confronted is to find suitable markets abroad for their steadily increasing production and to save dollars by importing from other participating countries instead of from the dollar area.

In contrast to most of these countries, Turkey is very under-developed. By applying the latest developments in agriculture and mining, her great potential resources could however yield a greatly increased production of dollar-saving commodities for the benefit of Europe as a whole. A major investment programme would also make her a large and expanding market for the industrial goods of Western Europe. If she does not at present offer such a market, that is because the standard of living of her people is very low.

Turkey's consumption in various fields, as compared with other participating countries, is shown in the following table [AG(49)28, Oct.1, 1949]:

Potatoes (annual consumption in kgs per capita for 1948-49)

Highest consumption	Norway	136
Lowest "	Greece	30
Turkey		12

Sugar (annual consumption in kgs per capita for 1948-49)

Highest consumption	United Kingdom	38
Lowest "	Greece	10
Turkey		6

Meat (annual consumption in kgs per capita for 1948-49)

Highest consumption	Denmark	68
Lowest "	Portugal	9
Greece		13
Turkey		9

Fats (annual consumption in kgs per capita for 1948-49)

Highest consumption	Norway	22
Lowest "	Italy	9
Greece		14
Turkey		8

Number of calories

Highest No. of calories	Sweden	3,086
Lowest " " "	Greece	2,463
Turkey		2,244

Animal protein

Highest a. protein	Norway	58
Lowest " "	Greece	16
Turkey		9

Not only is the food consumption level in Turkey the lowest in Europe, but the general level of purchasing power is also very low.

For these reasons Turkey felt bound to draw up her programmes not only as required by the O.E.E.C. but also in relation to her actual requirements, and the situation illustrated above must be borne in mind when these programmes are examined.

We should also draw attention to the fact that, when preparing Turkey's programmes, the Turkish economy and its rehabilitation were never considered in isolation. The needs of the participating countries were also kept constantly in mind.

The figures of these programmes are shown separately in the table attached. Details are as follows:

11 - a) Agriculture

Turkey is essentially an agricultural country with resources which, properly developed, would ensure not only her economic recovery but would also contribute to a large extent to the recovery of Europe. In fact, Turkey's natural conditions, particularly favourable to the production of the agricultural products of which Europe is in great need, would allow her to play a most important part in European recovery.

AG(49)31 of 12th October 1949 also insists, with a view to solving the dollar problem in Europe, on the necessity of developing Turkish agricultural production beyond the limits of her Long Term Programme.

These are the reasons for which Turkey is bound to give a most prominent place in her programme to the development of agriculture.

To ensure a speedy increase in agricultural production Turkey intends to raise the area under cultivation (11,628,000 hectares before the war) to 15,720,000 hectares in 1952.

The technical bases of agricultural development have already been laid through extensive experiments and studies carried out during the last twenty-five years.

To achieve all the objectives of her Long Term Programme and to ensure the realisation of the recommendations in AG(49)31, Turkey requires, in addition to the amount of $ 16.4 million in direct aid and $ 8 million in drawing rights envisaged for her Long Term Programme, $ 10 million for agricultural machinery, $ 2 million for nitro-fertilizers and $ 1 million for fuel.

The agricultural machinery estimates in the Long Term Programme are scarcely adequate to secure the objectives. Of all the participating countries, Turkey is the most poorly equipped in agricultural machinery. DT/A/AM/5 gives the figure of one tractor per 28 hectares of arable land in the United Kingdom, 27 hectares in Switzerland, 174 hectares in Netherlands, 179 hectares in France, 266 hectares in Italy. The figure for Turkey is only one tractor per 3,000 hectares.

If adequate financing is obtained:

1) It will be possible to increase exports of oil seeds and cotton by $ 50 million. This increase would be secured not by cultivating new areas, but by intensive farming and partial cultivation of fields lying fallow, which represent about 25% of land under plough.

2) Additional exports of dried fruits and tobacco, amounting to $30 million will be possible.

3) Production of cereals could be increased within a very short period. Already experiments are being carried out on hybrid maize in ten different regions, with satisfactory results. It is planned to export 1,000,000 tons of cereals, value at least $28 million.

We are confident that serious consideration will be given to our actual requirements and that we shall not be deprived of the benefit of the development of our agriculture, nor Europe of the dollar-saving commodities which she needs so much.

b) Meat and Fish

Here again Turkey has great potentialities and exports can easily be increased. In connection with meat, it should be noted that projects have been prepared by American experts, and as may be seen from PR(49)23/15, of the O.E.E.C. Programmes Committee, meat exports may be raised to 180,000 tons, securing Turkey $ 81 million in all currencies and at the same time enabling Europe to make dollar savings to the same amount. It must also be stated that the increase in numbers of livestock does not affect the exportable quantity of coarse grains, livestock being almost entirely grass fed in Turkey.

Studies on fisheries have been carried out in Turkey by both European and American experts which indicate that the Turkish catch can easily be increased.

Should Turkey succeed in carrying out the programme for the fishing industry (AG/PE(49)2), she will be able to increase her estimated fish exports in the Long Term Programme by $ 11 million to a total of $ 40.5 million.

The aid required for this sector for 1950-51 is $ 14,648,000.

c) Irrigation Works

Turkey has given due consideration to Irrigation Works which are essential for the development of her agriculture, and has requested $ 1 million for such works for 1950-51.

d) Coal, Mining and Power

In accordance with the main aims of the E.C.A. and the O.E.E.C., and with a view to securing her own viability as well as that of Europe, Turkey has included in her programmes increased production of chrome, antimony, coal, iron, copper, lead, etc. These increases would make possible increased exports to the United States and would also constitute a major source of dollar savings for Europe. The total requirements in 1950-51 for the realisation of these programmes amount to $61,396,000 as illustrated below.

1. The Zonguldak Coalfield. Steady industrial expansion and the consequent increase in the internal demand for fuel are creating an economic problem for Turkey.

It is therefore of great importance that this programme be carried out in order to secure the proposed increases in production, or, at the very least, to maintain the present level.

The implementation of this programme requires the equipment of shafts No. 1 and 2 of the Kozlu Colliery, the extension of existing washing capacity by the erection of new plant, the completion of the electro-mechanisation of the colliery and the building of the Port of Zonguldak. Work has already started on the last two projects.

If sufficient aid is obtained, the expected increase in bituminous coal production will be as follows:

Year	Production tons
1950	2,660,000
1951	2,760,000
1952	3,387,000
1953	3,720,000

To achieve these increases and to avoid wasting previous expenditure the amount of aid required for 1950-51 is $38,885,000.

2. Lignite mines. Western Lignite Mines - The development programme of Western lignite mines (Tuncbilek, Degirmisaz, Soma) requires aid of $2,950,000 for 1950-51.

Agaçli Lignite Mine - The Agaçli Lignite Mine, 25 kilometres north of Istanbul, was set up in order to meet part of Istanbul's fuel requirements. The bituminous coal thus saved could be allocated to other requirements in Turkey.

Marketable lignite production from this mine for 1950-52 may be estimated at:

118,000	tons	in 1950
210,000	"	" 1951
210,000	"	" 1952

The aid required for this project for 1950-51 is $ 1,275,000. The most necessary equipment for this mine has already been ordered with $ 500,000 obtained from an Export-Import Bank credit. In order to secure an economical and continuous supply of fuel for the Istanbul area the erection of an aerial tramway between Agaçli and Silahtaraga is essential; this in turn requires additional external financing.

If this mine is fully developed, its yearly marketable production of lignite should rise to 420,000 tons.

3. Divrigi Iron Mines The development of the Divrigi Iron Mines is continuing with the aid so far received. Aid amounting to $ 1,100,000 is required for 1950-51.

4. Turhal Antimony Mine The external financing required for opening up this new mine is approximately $ 313,000. The estimated yearly production would be approximately 2,650 tons concentrate (65% antimony) and this should yield $ 2.5 million yearly in foreign exchange.

5. Bolkardag-Keban Lead Mine The external financing required for the development of these mines is approximately $ 925,000. Yearly production of lead, silver and gold is estimated as follows:

Lead	3,660 tons
Silver	17.9 tons
Gold	0.380 tons

These should represent yearly earnings of $ 1,879,000 in foreign exchange.

6. Sariver Hydro-electric Power Station and Transmission Lines

The development of the power resources and the electrification of North West Anadolu, including the Istanbul area, is of vital importance for the economic and industrial development of this region and the whole country.

With the $ 6,820,000 of E.R.P. funds obtained for the fiscal years 1948-49 and 1949-50 construction of the Catalagzi-Istanbul power transmission line has already begun. This work will be completed in 1952, and thus Istanbul's acute shortage of power will partly be met. But the power demand of this region is increasing continuously owing to its economic and industrial development.

This increased demand can only be met by the erection of the Sariyar hydro-electric power plant and the necessary power transmission lines. The realisation of this project requires external financing of $ 15,098,000 for 1950-51.

The Sariyar hydro-electric power plant will generate 358 million kWh. per year. If the realisation of this project is considerably delayed or not achieved at all, there will be an increased shortage of electrical power which will greatly hamper the development of the country.

e) Oil Prospecting

There is now evidence of oil in Turkey - a fact of obvious importance to the Turkish economy - and equipment for additional drilling is required. Drilling was done in previous years and is being continued in 1949-50 with the help of Marshall Aid. A further $ 1 million is needed in 1950-51.

f) Coking and Desulphurisation

The completion of plant is essential for Turkish economic recovery. The aid required for 1950-51 is $ 2 million.

g) Salt

Studies made by American firms show that it would be easy to increase Turkish production of salt of superior quality. There is a great world demand for salt, which is a traditional Turkish export.

Since the American Economic Administration in Japan has approved orders for imports of Turkish salt, this industry is not limited to Europe alone, but also affords possibilities for Turkey to earn dollars. Aid of $ 1 million is needed for 1950-51.

h) Transport

1. Roads

There are 18 metres of road per square kilometre in Turkey as against 1,240 in Germany, 1,210 in United Kingdom, 1,170 in France and 170 in Greece.

These figures are indisputable evidence of the vital importance of road building in Turkey's economic development. Experts sent to Turkey by the American Public Road Administration worked with Turkish engineers to prepare programmes of road development. These programmes which are very modest owing to Turkey's limited financial resources require $ 9,360,000 of foreign aid for 1950-51.

2. Railways

It has been estimated that in 1953 the Turkish railways will carry 47% more ton/miles of freight than in 1947.

It is obvious that any reduction of aid will affect the anticipated rise in production but, in any case, production, and consequently traffic, will certainly show some increase.

From 1938 to 1947, there was an increase of 10% per year. Even the continuation of this normal increase would mean a 30% increase in traffic by 1953, compared with 1947.

Allowing for the withdrawal of obsolete locomotives, 150 new ones will be necessary to accommodate a 47% increase in traffic, or 86 to handle a 30% increase. If it is impossible to obtain new locomotives those available will only suffice to meet 20% of the increase in passenger and freight traffic from 1947 to 1953. Even to accomplish this it is essential to extend and improve locomotive yards, to expand the Eskisehir locomotive repair shop and to replace the steel fire-boxes of the locomotives obtained from American war surplus in France by copper ones.

Deducting the 3,147 freight cars which will be 50 years old in 1953 and no longer serviceable and even allowing for the 270 cars at present under construction in the United Kingdom and included in the Marshall Aid programmes for 1949-50 and 1950-51, the park in 1953 will be only 7.6% greater than in 1947. Even assuming a quicker turn-round, an additional 3,070 cars would be needed to handle a 47% increase in traffic or 1,780 cars to carry a 30% increase.

If these cannot be supplied, cars already 50 years old must be kept in service to meet any increase in traffic greater than 7.6%; transport will then be by no means safe and capacity will still be insufficient to meet the minimum anticipated increase in demand.

The same is true for passenger cars. In order to accommodate heavy traffic and to meet the normal increase of passengers, Turkey requires 235 passenger cars, apart from those already ordered.

2,000 kilometres of track are due for immediate replacement and although the Iron and Steel Works at Karabük will be in a position to supply rails from 1953, earlier renewal of rails on steep slopes will help greatly in increasing the safety of the track for heavy locomotives.

For renewal of railway bridges 10,000 tons of material are required, consisting of large bridge sheets, large bridge beams, and special sections, which are not manufactured by the Karabük Iron and Steel Works.

The shortage of weighing-machines slows down the turn-round of freight cars, as they must be uncoupled in order to be weighed at stations equipped with such machines.

In order to equip the Turkish railways to handle the 47% increase in traffic expected by 1953, a total expenditure of $ 19,127,000 is required for 1950-51.

3. Maritime Transport

Like her railways, Turkey's maritime transport must be developed very considerably to meet the anticipated increase in production. In order to handle this increase and the steadily growing volume of coastal shipping, greatly improved port facilities and harbour equipment, and more tugs and coastal vessels are required. $ 15,339,000 are needed for this purpose in 1950-51.

i) Technical Workshop Machinery

Naturally Turkey must have workshop facilities to repair the machinery and equipment purchased. Her programme, therefore, includes the building of workshops, for which $ 1.5 million of foreign aid is required in 1950-51.

j) Imports on Private Account

Apart from the direct Government investment projects discussed above, some imports on private account have to be met with foreign exchange obtained under E.R.P.

These imports of vital importance to Turkey, necessitate aid of $41,120,000 in 1950-51.

Any reduction in this amount will deprive Turkey not only of the benefit of these goods but also of the corresponding investment within the country.

III - The National Budget and Conclusion

The national budget for 1950 shows a deficit of 154,949,000 TL or 35.41 % of the total. This is mainly due to the extremely high government expenditure on defence to the limited tax revenue resulting from the low level of economic activity, and to government investment. This last item alone amounts to 226 million Turkish liras, mostly to ensure the proper utilisation of the imported equipment discussed above and to complete the projects in hand.

The budgetary situation for 1951 will probably be much the same. The heavy military expenditure is expected to continue. Tax revenue will probably decline by about 150 million Turkish liras: the initial loss due to the tax reforms recently adopted is not likely to be offset by the expansion of trade and industry. Expenditure on government investment and services may increase slightly. A deficit of some 250 million Turkish liras is thus anticipated in 1951. If sufficient counterpart funds are not available, the gap will have to be financed by inflationary means or essential projects postponed.

If Turkey is to become a strong political and economic partner of the peace-loving nations, it is urgently necessary that she should have the means to fulfil her recovery plans. These will help her to balance her foreign accounts, raise the national income, achieve internal financial stability, and improve her standard of living, which is the lowest among the participating countries. It is because Turkey believes that no one of these various aims can be achieved in isolation, that she has ventured to request approval of a programme showing her real requirements.

PROJECTS UNDER WAY WITH E.C.A. FINANCING AND PROPOSED FOR E.C.A. FINANCING

(1,000 dollars)

	1948-49 Allocation	1949-50 Allocation		1950-51 based on the real requirements		1950-51 distribution made in accordance with CE(49)155		1950-51 gap between the real requirements for E.R.P. aid and the distribution made in accordance with CE(49)155		Total this column indicates the additional aid required
Projects and Subjects	U.S.A. direct aid $ area	U.S.A. direct aid $ area	Drawing rights non $ area	U.S.A. direct aid $ area	Drawing rights non $ area	U.S.A. direct aid $ area	Drawing rights non $ area	U.S.A. direct aid $ area	Drawing rights non $ area	
Agriculture (x)	**22,148**	**12,888**	**1,508**	**16,400**	**8,000**	**10,119**	-	**6,881**	**9,000**	14,884
Tractors, agricultural equipment and spare parts				16,180	5,350	9,299		6,881	5,350	
Fertilisers and pesticides				-	2,500	-			2,500	
Various (private enterprises)				220	150	820		+ 600	150	
Roads	**5,000**	**9,000**	**251**	**7,360**		**5,500**	-	**1,860**		1,860
Road construction equipment and vehicles	5,000	9,000	251	7,360		5,500		1,860		
Irrigation		**340**	**1,060**	**3,000**		**2,291**		**709**		709
Excavators, scrapers, vehicles and other construction equipment		340	1,060	3,000		2,291		709		
Draining of marshes				**3,040**				**3,040**		3,040
Equipment and chemical products				3,040				3,040		
Seaways		**249**	**5,932**	**15,339**		**3,746**	-	**11,593**		11,593
Coastwise ; vessels and tugs	-		5,932	11,391		3,356	-	8,035		
Equipment for Harbour	-			1,482				1,482		
Equipment for lighthouse	-			175		120		55		
Equipment for factories & docks	-	249		2,291		270		2,021		
Railways	-		**3,758**	**19,127**		**2,255**		**16,872**		16,872
Rails and ties			2,798	3,676				3,676		
Cranes			150	160		300		+ 140		
Locomotives				3,750				3,750		
Passenger and freight cars			810	5,565				5,565		
Railroad construction and maintenance equipment and spare parts				5,976		1,955		4,021		
Meat and Fishing industry		**500**	**7,000**	**10,073**	**4,575**		**4,575**	**10,073**		10,073
Construction and refrigerating equipment & cars		500	7,000	10,073	4,575		4,575	10,073		
Etibank (Coal, Mining & Power)	**16,881**	**14,172**	**9,309**	**60,896**	**500**	**15,414**	**500**	**45,482**		45,482
Zonguldak coal basin (2 washeries, electromechanisation, Rock galery, etc.)	13,058	8,600	3,555	38,385	500	11,514	500	26,871		
Development of Tunchilek (lignite)		638	427	1,280		380		900		
Development of Degirmisas (lignite)		46	138	775		100		675		
Development of Soma lignite	869	450	110	925		300		625		
Development of Divrigi Mine(Iron)	926	-	500	1,100		300		800		
Development of Agaçli lignites		-	-	1,275		-		1,275		
Development of Turhal Antimony		-	-	313		-		313		
Development of Bokardag-Keban mines (lead)			-	925		-		925		
Power plants and transmission lines (Seriyar)	2,972	5,348	4,082	15,098		8,000		13,098		
Survey and study	1,029	1,840	-	850		850		-		
Palu chromes		250	-	-		-		-		
Freight	-	-	500	-		-				

(x) To realise the increase anticipated in the document AG(49)31 an additional amount of $13,000,000 is required.

Projects and Subjects	1948-49 Allocation	1949-50 Allocation		1950-51 based on the real requirements		1950-51 distribution made in accordance with CE(49)155		1950-51 gap between the real requirements for E.R.P. aid and the distribution made in accordance with CE(49)155		Total This column indicates the additional aid required
	U.S.A. Direct Aid $ Area	U.S.A. Direct Aid $ Area	Drawing rights Non $ Area	U.S.A. Direct Aid $ Area	Drawing rights non $ Area	U.S.A. Direct Aid $ Area	Drawing rights Non $ Area	U.S.A. Direct Aid $ Area	Drawing rights Non $ Area	
Sumerbank		490	1,680	992	1,008	315	1,008	677	-	677
Desulphurisation for the coke factory			1,680	677	1,008	-	1,008	677		
Survey and Study		490	-	315		315	-	-		
Salt industry		-	840	1,000	-	504	-	496	-	496
Equipment for the expansion of salt mines			840	1,000		504		496		
Mining Research and Exploitation Office		1,850	-	1,000	-	945	-	55	-	55
Oil drilling equipment		1,850		1,000		945		55		
Machine tools and apparatus		-	-	1,500		1,500	-	-	-	-
Equipment for workshops and repairshops				1,320		1,320				
Scientific instruments for laboratories				180		180				
Private enterprise, Commercial and Consumable Goods	3,000	17,600	19,052	4,283	34,537	-	19,787	6,583	14,770	21,353
Cement factory			8,000							
Oil products	3,000									
Hides					2,500		2,000		500	
Road transportation equipment			2,000	1,632	4,000			1,632	4,000	
Tires and tubes					1,500				1,500	
Spareparts for vehicles			1,000		1,000				1,000	
Generators, motors, engines, turbines machines and electrical apparatus			6,052	4,251	19,262		12,787	4,251	7,500	
Medical products					2,000		-		2,000	
Indicating instruments					1,000		-		1,000	
Hawley machines (for ministry of labor				700	-		-	700	-	
Various manufactures commodities					3,275		-		3,275	
Consumables for the private enterprises		17,600	6,000		-		-		-	
	49,029	55,986	50,390	146,310	48,650	42,599	25,950	103,791	22,770	126,491
Freight	-	3,174	4,910	13,600	4,790	3,701	2,050	9,899	2,230	12,129
GRAND TOTAL	49,029	59,000	55,300	159,910	53,360	46,300	28,000	113,690	25,000	138,620

ADDENDUM TO ANNEX I

Some part of Turkey are exposed to epidemics of malaria, despite the war which has been waged against it for many years. Agricultural production is largely dependent upon the sound health of the peasants, and as the outbreaks of malaria occur at harvest time, they seriously affect the working capacity of the population, thereby diminishing its productivity. Therefore, in addition to the measures which have been taken for the country's general development, it is essential to take steps to stamp out this disease completely.

To carry out such a programme will require supplementary funds amounting to $3,039,974.

The need to set up new educational and agricultural establishments with a view to promoting the agricultural development of certain regions such as Antalya, Adana, Çankiri, Polatli, Kayseri, Diyarbakir, Afyon, Merzifon, Erzincan, Eskisehir, Bandirma, renders it even more imperative to introduce more effective measures to combat this disease.

It will therefore be necessary to make certain alterations in the tables annexed to the general memorandum submitted by Turkey for the 1950-51 and 1951-52 programmes, as well as in those attached to the Annex to this Memorandum, submitted by the Turkish Delegation on 27th January and 2nd March 1950 respectively.

ANNEX II

THE NATIONAL BUDGET

It is not possible for Turkey at the present time to establish a national budget involving the calculation of the national income and the respective amounts to be allocated to the public and private sectors, together with the amounts in these sectors to be set aside for consumption, savings and investment. Most of the countries which have applied a similar system have a planned economy and direct it accordingly. Other countries, although they have no planned economy, establish a national budget, embracing their general economic system, by means of a mass of detailed and accurate statistics and available monographs covering economic and social life in its entirety.

By reason of its economic system, Turkey does not belong to this first group of countries so it has not, so far, been possible to draw up such a "national budget" and as no statistical material or detailed monographs covering its economic and social life are available, the establishment of such a budget would, even now, be a matter of some difficulty. However, as a first step in this direction, approximate estimates have already been drawn up for the national income covering the years 1942, 1943, 1944, 1947, 1948 and 1949.

Methods used in estimating the national income

The national income of Turkey was assessed in terms of value produced by each branch of production. In assessing agricultural income, the value of agricultural production was calculated according to the selling price paid to the producer. The value of the industrial output was assessed on the manufacturer's selling price.

An examination of the tables relating to Turkish national income shows that there are some marked differences between the figures given and those of the 1949-50 memorandum. This is largely due to the improved methods adopted this year for estimating the national income.

In the following table, agricultural income, which accounts for the bulk of the national income, includes the food consumed by agricultural workers and their cattle. After deducting the food consumed by the agricultural worker, his family and his cattle, the remainder is sold in the open market. This is the "cash income" and is the basis of the revenue available to cover budget commitments.

TURKISH NATIONAL INCOME

in thousand Liras
$1 = £T. 2.80

Source of Income	1942	1943	1944	1947	1948	1949 (estimate)
Agriculture	3,710,024	4,433,999	3,451,287	4,302,586	5,354,098	4,587,537
Industry	558,300	1,403,426	1,520,445	1,807,587	1,807,587	1,807,587
Commerce	1,652,416	2,008,766	2,301,355	2,735,430	2,892,478	2,892,478
Services	318,908	313,491	365,493	689,652	790,163	790,163
Housing	129,528	125,544	130,001	147,559	152,129	152,129
Mosul Oil	622	808	1,004	2,453	2,450	2,450
TOTAL	6,369,798	8,286,034	7,769,585	9,685,267	10,998,905	10,232,344

Annual and monthly income per head of population

(in £T.)

Year	Annual	Monthly
1936	82.10	6.84
1942	349.19	29.10
1943	449.06	37.00
1944	416.33	34.69
1947	504.29	42.02
1948	566.43	47.22
1949	521.22	43.43

TURKISH NATIONAL INCOME

in thousand Liras
$1 = £T. 2.80

Source of Income	1 9 4 3	%	1 9 4 4	%	1 9 4 7	%	1 9 4 8	%	1 9 4 9	%
Agriculture	1,669,199	30.19	1,804,654	29.45	2,302,804	29.90	2,474,755	30.38	1,708,194	23.16
Industry	1,403,426	25.38	1,520,445	24.80	1,807,587	23.45	1,807,587	22.20	1,807,587	24.51
Commerce	2,008,766	36.34	2,301,355	37.52	2,735,430	35,50	2,892,478	35.53	2,892,478	39.22
Services	313,491	5.67	365,493	5.95	689,652	8.93	790,163	9.72	790,163	10.72
Housing	125,544	2.27	130,001	2.12	147,559	1.91	152,129	1.87	152,129	2.06
Mosul Oil	808	0.15	1,004	0.16	2,453	0.31	2,450	0.30	2,450	0.33
T O T A L	5,521,234	100.00	6,122,952	100.00	7,684,985	100.00	8,119,562	100.00	7,353,001	100.00

Proportion of Turkish National Income devoted to Public Expenditure

The following table shows the percentage of national income represented by taxation in the State Budget :

	1943	%	1944	%	1947	%	1948	%	1949	%
Turkish National Income	8,286,034,000		7,789,585,000		9,685,267,000		10,998,905,000		10,232,344,000	
Total State Revenue and its percentage of National Income	1,031,495,506	12.45	1,017,155,186	13.09	1,615,023,961	16.68	1,372,421,235	12.48	1,251,802,894	12.23
Net National Income	5,521,234,000		6,122,982,000		7,684,986,000		8,119,562,000		7,353,001,000	
Total state revenue and its percentage of net National Income	1,031,495,506	18.68	1,017,155,186	16.61	1,615,023,961	21.02	1,372,421,235	16.90	1,251,802,894	17.02
Direct taxation	247,464,772	4.48	408,846,516	6.69	419,068,736	5.45	440,512,777	5.42	435,600,000	5.92
Indirect taxation ...	425,603,838	7.71	517,918,209	8.46	673,063,065	8.75	696,781,458	8.58	760,972,894	10.35
Total revenue from taxation and its percentage of the net National Income	673,068,610	12.19	926,764,725	15.15	1,092,131,801	14.21	1,137,294,235	14.00	1,116,572,894	16.27
Total revenue from taxation and its percentage of the National Income	673,068,610	8.12	926,764,725	11.93	1,092,131,801	11.28	1,137,294,235	10.34	1,196,572,894	11.69
Direct and indirect taxation per head of population	(36.62) £ T.		(49.87) £ T.		(56.87) £ T.		(58.57) £ T.		(60.95) £ T.	

THE NATIONAL PRODUCT OF AGRICULTURE, INDUSTRY, COMMERCE, SERVICES, HOUSING AND MOSUL OIL EXPRESSED AS A PERCENTAGE OF THE TOTAL NATIONAL INCOME OF TURKEY

Source of income	1942 %	1943 %	1944 %	1947 %	1948 %	1949 %
Agriculture	58.30	53.51	44.42	44.32	48.58	44.75
Industry	8.80	16.94	19.57	18.56	16.35	17.60
Commerce	25.90	24.24	29.62	28.24	26.29	28.23
Services	5.00	3.78	4.71	7.11	7.18	7.70
Housing	2.00	1.52	1.67	1.52	1.38	1.48
Mosul Oil	0.009	0.01	0.01	0.25	0.22	0.24
Total	100.00	100.00	100.00	100.00	100.00	100.00

Although the above table shows that stock-breeding, market gardening and fruit growing are expanding every year, Turkish agriculture still consists mainly of field crops. The latter, however, are more affected by the weather than other branches of agriculture such as stock-breeding, market gardening and fruit growing. In such circumstances Turkish national income fluctuates sharply under the influence of the weather.

The revenue from industry is increasing, although slowly. Industrial production mainly includes hard coal, lignite, iron ore, copper (ingots), cement, chrome, cotton yarn, wool yarn, paper, glass and hollow-glassware, sugar, tobacco, alcoholic beverages and electricity (restricted to Ankara, Istanbul and Izmir). The index of industrial production stood at 80.88 in 1938 (1939 = 100) and, as shown by the following table, rose to 125.9, i.e. an increase of 55.8%.

Index of industrial production

(1939 = 100)

	Ore mining	Manufacturing industries	Food industry	TOTAL
1938	90.2	85.4	69.2	80.8
1939	100.0	100.0	100.0	100.0
1940	99.3	121.0	94.4	108.2
1941	97.0	116.8	99.7	107.3
1942	82.2	106.6	83.1	94.2
1943	107.9	109.6	110.6	109.5
1944	123.7	117.0	110.3	116.2
1945	123.7	122.0	99.7	115.4
1946	120.1	121.2	109.2	117.3
1947	125.1	126.2	113.7	121.8
1948	135.6	119.4	129.5	125.9

It should be borne in mind that Turkey is economically under-developed and that these increases in industrial production should not be compared with those recorded in other industrial countries.

Assessment of the National Income from 1938 prices

The Turkish national income has so far been studied on the basis of its nominal value only. If the national income is expressed in terms of pre-war Turkish currency, i.e. 1938 values, with the aid of the wholesale index of these products, the following figures are obtained:

Year	National Income (Liras)
1942	1,875,677,000
1943	1,404,174,000
1944	1,693,089,000
1947	2,237,815,500
1948	2,358,761,530
1949	1,985,706,000

National Income per head of population based on 1938 prices

Year	annual	monthly
1936	82.10	6.84
1942	102.82	8.57
1943	76.10	6.34
1944	90.72	7.56
1947	116.52	9.71
1948	121.47	10.12
1949	101.14	8.43

These figures compared with those of other European countries give a clear indication of the very low level of Turkish national income.

National income in terms of Turkish currency in 1938

Year	National Income (liras)
1943	935,642,700
1944	1,334,267,100
1947	1,775,643,400
1948	1,741,274,200
1949	1,426,935,000

National income per head of population (liras)

Year	Annually	Monthly
1943	50.91	4.24
1944	71.80	5.98
1947	92.45	7.70
1948	89.67	7.47
1949	72.68	6.05

The following figures for the "national product of agriculture" and "the national income from agriculture" per head of the rural population in Turkey are based on the 1940 and 1945 census.

National product from agriculture (Liras) $ = L.T 2.80

Year	Annually	Monthly
1942	270.27	22.52
1943	320.02	26.67
1944	246.79	20.56
1947	299.47	24.95
1948	369.21	30.76
1949	313.42	26.12

The above figures include the proportion of production set aside by the rural population for food, clothing and also for cattle fodder.

After deducting the proportion which the rural population reserves for food and cattle fodder, the "national income from agriculture", i.e. the part which is marketed and which represents purchasing power and taxable income, is distributed per head of population as follows:

National income from agriculture per head of rural population (Liras)

Year	Annually	Monthly
1942		
1943	120.47	10.03
1944	129.05	10.75
1947	160.25	13.35
1948	170.66	14.22
1949	116.71	9.72

Expressed in 1938 values, the national product of agriculture is as follows:

Year	Liras
1942	1,092,468,700
1943	751,397,800
1944	758,078,200

1947	994,128,000
1948	1,148,208,800
1949	890,265,000

and the "national income from agriculture" is:

Year	Liras
1943	197,749,510
1944	393,256,400
1947	531,955,600
1948	530,721,600
1949	331,495,000

The "national product of agriculture" expressed in 1938 values is distributed per head of rural population as follows:

Year	Annually	Monthly
1942	79.58	6.63
1943	54.23	4.52
1944	53.78	4.48
1947	69.19	5.76
1948	79.18	6.60
1949	60.82	5.07

The "national income from agriculture" obtained by deducting from the national product the amounts set aside by each member of the rural population for food, clothing and fodder for cattle, expressed in 1938 values is distributed per head of population as follows:

Year	Annually	Monthly
1943	14.27	1.19
1944	28.18	2.34
1947	37.02	3.09
1948	36.60	3.05
1949	22.64	1.89

The Turkish national income for 1949 is estimated at 10,232,344,000 liras. This figure represents the sum of 143 piastres daily per head of population. The following examples may be taken to illustrate the purchasing power on the basis of 1949 prices:

L T:				
1.43	represents	4	kilos	of bread
"	"	1.136	"	" rice
"	"	1.430	"	" beef
"	"	0.794	"	" mutton
"	"	0.540	"	" olive oil
"	"	2.102	"	" milk
"	"	0.202	"	" fats
"	"	4.00	"	" potatoes
"	"	0.710	"	" sugar
"	"	8.400	"	" salt
"	"	0.168	"	" coffee
"	"	18	"	" eggs

The percentage of the Turkish budget set aside for national defence

National defence is the largest item in budget expenditure. When considering this expenditure it should be borne in mind that the Gendarmerie is an integral part of the Army, being equipped to serve as an auxiliary force, in case of need.

As will be seen from the tables below, budget expenditure from 1929 to 1938 totalled 2,222,314,306 liras of which LT 713,631,648 i.e. 32.11% were set aside for national defence. After 1st September 1939, when the Second World War broke out, expenditure on national defence began to increase and rose to 59.34% in 1942. Turkish budgets from 1939 to 1949 involved expenditure totalling 10,415,361,019 liras of which 4,704,560,787 liras i.e. 45.16% were set aside for national defence.

Expenditure on national defence is not, however, limited to these figures; it involves other commitments which appear as items in the national budget but are not shown in the budget of the Ministry of National Defence or in that of the G.O.C. Gendarmerie. These include armaments

credits to the value of £25,000,000, the percentage of the American credit of $10,000,000 set aside for national defence, etc. As the Turkish National Defence Ministry has exhausted all the foreign credits which it has received, expenditure is not confined to the sum of 4,704,560,787 liras, it amounts to 5,020,288,687 liras, plus all the foreign credits already exhausted, i.e. 315,727,900 liras, plus 132,936,781 liras representing total allocations of extraordinary foreign credits. This total does not include the value of the equipment reaching Turkey through the military aid which the United States has been supplying and is continuing to supply to Turkey.

Expenditure for national defence also includes items appearing in the budget of the Ministry of Finance for 1949, covering the repayment of the debts owed by the Ministry of National Defence to the Department for Agriculture for food supplies to the Army.

NATIONAL DEFENCE EXPENDITURE

Years	General Budget Expenditure	Ministry of National Defence		T o t a l	% of total general Budget expenditure
1929	213,367,358	67,180,827	8,410,095	75,590,922	35.42
1930	210,129,654	62,832,052	8,024,255	70,856,307	33,72
1931	181,861,013	53,260,987	8,301,975	61,562,962	33,85
1932	174,054,953	40,054,902	8,005,105	48,060,007	27,61
1933	173,608,828	40,685,742	8,460,729	49,146,471	28,30
1934	202,069,919	58,491,537	8,570,155	67,061,692	33,18
1935	223,747,873	63,585,041	9,383,380	72,968,421	32,61
1936	252,402,009	69,181,681	9,674,222	78,855,903	31,24
1937	287,183,746	77,814,778	10,482,996	88,297,774	30,74
1938	303,888,953	90,057,827	11,173,362	101,231,189	33,31
	2,222,314,306	623,145,374	90,486,274	713,631,648	32,11
1939	387,229,372	164,614,187	11,868,410	176,482,597	45,57
1940	535,863,786	285,083,661	12,632,748	297,716,409	55,55
1941	574,594,472	322,107,176	12,983,291	335,090,467	58,31
1942	885,102,331	496,953,366	23,173,043	520,126,409	58,76
1943	1,019,036,909	540,754,558	26,306,971	567,061,529	55,64
1944	1,077,456,281	554,276,635	28,744,146	583,020,781	54,11
1945 +	600.676.043	247.945.566	15,024,458	262,970,024	43,77
1946	1,018,854,054	365,217,037	29,695,378	394,912,415	38,76
1947	1,564,240,494	485,310,403	34,556,147	519,866,550	33,23
1948	1,380,431,650	504,664,853	39,261,539	543,926,392	39,40
1949	1,371,875,627	460,450,000	42,937,224	503,387,214	36,69
	10,415,361,019	4,427,377,442	2,771,183,345	4,704,560,787	45,16

N.B : These figures have been drawn up on the basis of those given in the "Payments" columns of the General Treasury Accounts. Those relating to 1948-49 have been taken from the Budget.

\+ The 1945 Budget only covered 7 months.

The expenditure on National Defence during the period covering the war and the post-war years is given in the following table: (In £T).

Years	Total of the general Budget	Total of the Budgets of the Ministry of National Defence and the Gendarmerie General Staff	Allocation to Armaments Credit of £25 million	Allocation of portion of the credit of £10 million used for National Defence	Payments on account from the Budget of the Ministry of Finance in respect of the National Defence debt to the Department of Agriculture	Total National Defence Expenditure	% of National Defence Expenditure in the total of the General Budget
1939	387,229,372	176,482,597		-		176,482,597	45.57
1940	535,863,786	297,716,409	1,427,904	-	-	299,144,313	55.82
1941	574,594,472	335,090,467	4,123,848	-	-	339,214,315	59.03
1942	885,102,331	520,126,409	5,110,067	-	-	525,236,476	59.31
1943	1,018,038,909	567,061,529	7,381,570	-	-	574,443,099	56.37
1944	1,077,456,281	583,020,781	9,169,190	-	-	592,189,971	54.96
1945	600,676,043	262,970,024	9,670,913	-	-	272,640,937	45.38
1946	1,018,854,054	394,912,415	18,198,877	-	-	413,111,292	40.54
1947	1,564,240,194	519,866,550	25,006,431	931,333	-	545,804,314	34.89
1948	1,380,431,650	543,926,302	25,050,000	883,437	-	569,659,829	41.28
1949	1,371,875,627	503,387,214	25,007,000	976,211	5,000,000	534,370,425	38.95
TOTALS	10,415,361,019	4,704,560,787	130,145,800	2,790,981	5,000,000	4,842,497,568	46.49

The conditions prevailing during the Second World War and in the subsequent years obliged Turkey to spend an additional 1,497,728,911 liras on the national defence services over an 11-year period, compared with a similar period before the war. If this necessity had not been forced upon Turkey, she could have invested 136,157,173 liras every year in sound economic propositions and would have thus raised her production and her national income, increasing the wealth available for taxation and easily balancing the national budget during this period.

Equally, as regards the financial year 1950, the exigencies of the world situation have made it impossible to curtail expenditure under the above heads. If, to the figure of 499,260,686 liras representing expenditure on National Defence and the Gendarmerie are added the 1950 repayment of 17,374,584 liras on the above armaments credit of £25,000,000, the sum of 939,424 liras to be repaid by the National Defence in respect of the percentage it has drawn from the American credit of $ 10,000,000 and a further sum of 2,000,000 liras appearing in the budget of the Ministry of Finance and set aside to pay the debt owed by the Ministry of National Defence to the Department for Agriculture, we arrive at a figure of 519,575,694 liras i.e. 35.41% of the 1950 Budget.

Turkey's National Defence Expenditure compared with that of other countries

As the following table shows, the percentage of their general budget allocated by certain countries to National Defence is far below the percentage set aside for that purpose by Turkey:

	%
Turkey	38.95
United States	34.08
Switzerland	28.71
France	28.00
United Kingdom	22.97
Italy	21.24
Netherlands	18.15
Denmark	14.89
Belgium	7.71

Other Turkish commitments and the percentage they represent in the total general budget are shown in the following table.

	1939		1949		1950	
		% of Budget total		% of Budget total		% of Budget total
Expenditure on Health services	12,268,611	3.10	55,796,240	4.02	60,979,517	4.16
Expenditure on Social Insurance	22,508,643	5.69	108,929,460	7.85	130,976,893	9.54
Expenditure on Public Education and Cultural Activities	20,028,512	5.06	199,437,731	14.37	207,373,827	14.13
Expenditure set aside for productive purposes:						
1 - formation of capital	8,776,404	2.22	25,615,039	1.84	47,861,163	3.26
2 - public works	47,957,308	12.11	176,054,559	12.68	188,152,803	12.82
3 - agriculture	10,029,255	2.53	46,734,283	3.37	54,017,665	3.68
4 - industry and mines	2,515,000	0.64	15,473,057	1.11	42,232,484	2.88